

AGENDA SUMMARY PAGE

REDEVELOPMENT AGENCY MEETING OF: DECEMBER 2, 2009

DEPARTMENT: OFFICE OF BUSINESS DEVELOPMENT

DIRECTOR: BILL ARENT

SUBJECT:

Discussion and possible action regarding a Memorandum of Understanding between the Culinary Workers' Union, the city of Las Vegas, and the City of Las Vegas Redevelopment Agency (RDA) regarding labor matters within the City of Las Vegas and city of Las Vegas Redevelopment Area (\$25,000 – Special Revenue Funds) – All Wards [NOTE: This item is related to Council Item 37]

Fiscal Impact

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No Impact

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Augmentation Required

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Budget Funds Available

Amount: \$25,000

Funding Source: Special Revenue Funds

Dept./Division: OBD/RDA

PURPOSE/BACKGROUND:

In order to avoid future litigation and conflicts regarding matters concerning RDA expansion, major projects within the City of Las Vegas and RDA, and matters concerning labor relations, staff has reached agreement with the Culinary Workers' Union on a Memorandum of Understanding.

RECOMMENDATION:

Approval

BACKUP DOCUMENTATION:

1. Agenda Memo
2. Memorandum of Understanding
3. Submitted at Meeting – Copy of Code Section 161.30.1 for City of Pittsburgh by Staff

Motion made by GARY REESE to Approve

Passed For: 4; Against: 2; Abstain: 1; Did Not Vote: 0; Excused: 0

RICKI Y. BARLOW, STEVE WOLFSON, OSCAR B. GOODMAN, GARY REESE; (Against-LOIS TARKANIAN, STAVROS S. ANTHONY); (Abstain-STEVEN D. ROSS); (Did Not Vote-None); (Excused-None)

NOTE: MEMBER ROSS disclosed that this item involves the remote nexus to the development of the new City Hall, and, as the Secretary/Treasurer of the Southern Nevada Building and Construction Trades Council, he is involved in negotiations with Forest City to secure union jobs on the project. So he would be disclosing and abstaining on the advice of the City Attorney on all matters relative to the City Hall project until he receives further direction from the Nevada Ethics Commission.

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Minutes:

EXECUTIVE DIRECTOR FRETWELL stated that the Memorandum of Understanding (MOU) is between the City of Las Vegas Redevelopment Agency and the Culinary Workers' Union. Staff has been in discussions with the Culinary Union regarding matters pertinent to redevelopment, including the new City Hall project, and have had several legal battles and discussions. Despite the difficult dialogue, staff kept the lines of communication open, and the proposed MOU includes part of that dialogue. She indicated that BILL ARENT, Operations Officer of the Redevelopment Agency, would go over the details of the MOU and CITY ATTORNEY BRAD JERBIC would provide specific details about one key component of the document relative to the labor peace agreement section. She pointed out that compromises sometimes mean the parties involved do not get exactly what they want, especially when both parties hold staunch positions.

MR. ARENT summarized the MOU included in the backup documentation, which is effective for five years.

CITY ATTORNEY JERBIC detailed the forthcoming ordinance. The most complex of the MOU is Section 1.3 that requires the enactment of a labor peace ordinance, which is not required for adoption now. If the MOU is approved with a desire for a labor peace ordinance to take effect, such an ordinance will be introduced for consideration and enactment by the City Council. If there is no desire or need for the peace ordinance to take effect, the MOU will be nullified. The City of Las Vegas will draft an ordinance based on an ordinance from the City of Pittsburgh, Pennsylvania, a copy of which he filed for the record. A labor peace ordinance requires that a developer use a union that represents hospitality workers in large projects where the city, and in this case, the Agency as well, has either a proprietary or a financial interest. The Agency has a proprietary interest in two projects, but they are not large hospitality projects. This MOU requires both components; a large hospitality/gaming project and proprietary and financial interests. Neonopolis is one of the projects where the City only has a financial interest and receives money on a rate of return, as well as The Fremont Street Experience, from which the City receives net rental proceeds for the Red Parking Garage. Both of these projects involve direct financial pecuniary interests. Neither TIF (tax increment financing) agreements nor giving-of-land agreements give a direct financial or pecuniary interest in a project. These agreements are written in a way to prevent the loss of income stream and revenues due to labor disruptions. Labor peace agreements require the developer to use organized labor to represent hospitality employees and for the organized labor to agree to a no-strike clause that guarantees the income stream is not interrupted.

The term contracts in the Pittsburgh ordinance refers to contracts directly related to revenues received as rents, royalties or other income percentages of revenues of an enterprise or payments. These are directly related to the income received by the businesses that then come to the Agency or the City of Las Vegas. If that component is not there, it is not considered financial or pecuniary interest and would not apply. The ordinance is being drafted and it will possibly be introduced at the second City Council meeting of December or the first meeting in January.

CHAIR GOODMAN ascertained with CITY ATTORNEY JERBIC that TIF and Special Improvement Districts (SIDs) would not be affected. The only way those arrangements would be affected, for example, is if TIF monies are loaned and payment is received from the proceeds of the business.

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DEE TAYLOR, 1630 South Commerce Street, Culinary Workers' Union, stated the union has had a very acrimonious relationship with the City regarding all the redevelopment in the downtown. The compromise came about because people are passionate and are worried about the City. He supports the MOU because it addresses many of the concerns that both the Culinary and the Agency members have mentioned many times, including schools, housing, living wage, labor peace agreement, which would protect the City's proprietary interests. Many of these types of agreements have been enacted in cities throughout the country for the hospitality industry. This agreement would allow the Culinary to respect whatever decision the City Council makes with regard to the new City Hall, and for any other future redevelopment projects. He thanked the City employees, CHAIRMAN GOODMAN and the other Agency members for their attention to this matter.

MEMBER WOLFSON observed that a compromise is good, even though both parties may not receive everything requested. The Citizens Review Committee will provide a voice from the citizens. He remarked that MR. TAYLOR and the Agency members represent people that share the common goals of seeking quality of life and living in a vibrant city. He thanked EXECUTIVE DIRECTOR FRETWELL and MR. TAYLOR for reaching a resolution.

MEMBER ANTHONY stated that he spent many hours reviewing the MOU and has a lot of reservations, as do many of his constituents, noting that this matter is not about the developer, the Culinary leadership or its members. He opposed entering into this agreement, because as an elected official, he feels compelled to make every attempt to provide a climate of economic strength and overall quality-of-life opportunities for the residents without any strings attached, which this agreement has many of.

In good times, the City, under the leadership of the Mayor and Council, must be able to approve projects that make fiscal sense. A vote for denial considers the long-term state of the City, but approval of this MOU would handcuff the Agency on future matters involving similar projects.

MEMBER TARKANIAN commented that she has been a good friend to the Culinary Union for many years and even turned down donations to protect the best interest of its members. Although she regards having an advisory committee as positive in order to get more input, she is concerned that the MOU does not spell out how many members or how it would be funded. So her hesitation is not due to what MR. TAYLOR presented. She is also concerned that she did not promptly receive a copy of this MOU in order to have ample time to review it in order to ensure protection to the City and its citizens.

CHAIRMAN GOODMAN stated that sometimes it is necessary to bend, and even though there is a lot of discord, both parties felt that they were taking the right position for the citizens, noting that the redevelopment area may be the one area that has the potential to create jobs. After meeting with MR. TAYLOR over the Thanksgiving weekend to discuss matters affecting the public, they agreed to cede and to stand united to meliorate the situation and to foster a relationship.

The Chairman believes that with the union's help, the City will avert a severe decree in upcoming legislative sessions and protect the Redevelopment Agency. Without the arduous efforts of the

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Agency, thus far, the development projects in place would not have occurred. He noted that redevelopment money is to be used to improve the designated area and anyone who thinks otherwise is not well informed. He thanked those that assisted in the City being able to prevail in court.

MEMBER TARKANIAN emphasized that her only concern is the lack of specificity in the MOU and would, therefore, prefer more time to better peruse it and get answers to her questions.

STAN WASHINGTON thanked MEMBER ANTHONY on his points and agreed that this matter should be held for further discussion. Although there are many good points to the MOU, the reason the agreement came about is due to the disagreements between Local 872 and the Culinary Union and its members. He believes that the way to get ahead with the City is to file lawsuits and opined that approval of this MOU will set a precedent, as MEMBER ANTHONY had stated.

ANTHONY HODGES advised that all parties need to be good citizens and take chances in order to make progress and improve the City. CHAIRMAN GOODMAN has done many great things for this community.

JUANITA CLARK, Charleston Neighborhood Preservation, asked about the MOU term "between" and asked if this matter is in compliance with the Open Meeting Law, to which CITY ATTORNEY JERBIC replied in the affirmative.

MS. CLARK objected to the third party mentioned in the MOU because it seems as if there is another stakeholder involved. An MOU is great, as long as all matters are clarified, even if they seem miniscule. She expressed confusion about the language regarding the adoption of a labor peace ordinance.

GENE COLLINS was content that a closure was reached on this matter.

MEMBER REESE thanked everyone involved and appreciated the comments and concerns of MEMBERS TARKANIAN and ANTHONY, but regarded the activity of the Redevelopment Agency as being very important to the local economy. MR. TAYLOR represents a labor union, but, as an elected official, he represents all the people. This MOU is just an understanding and not binding.

MEMBER BARLOW pointed out that the job and decisions of an elected official are sometimes very difficult, but felt that compromise is necessary on many occasions. He appreciates the efforts of both parties and supported the MOU, as he believes it is in the best interest of the entire community.

MEMBER REESE felt that it is important for government to work together and sometimes yield for the greater good of the community.